

**TELFORD & WREKIN COUNCIL**

**COUNCIL – 29 APRIL 2010**

**MEMBERS' ALLOWANCES**

**REPORT OF THE CHIEF EXECUTIVE**

**1.0 PURPOSE**

- 1.1 To consider whether to convene a meeting of the Independent Remuneration Panel, (“the Panel”) in the light of the recommended changes to the Council’s scrutiny arrangements, and the general economic climate.

**2.0 RECOMMENDATIONS**

- 2.1 **That an Independent Remuneration Panel be convened to consider the current scheme for members allowances and decide whether or not to recommend any changes to it;**
- 2.2 **That the Independent Remuneration Panel be chaired by Professor Stephen Leach and that Richard Sheehan and Mick Lloyd, as representatives from the business community and the third sector be invited to sit on the Panel with him; and**
- 2.3 **That members agree to receive the final report from the Independent Remuneration Panel at Council on the 24<sup>th</sup> June 2010 but that the Panel are asked to report on the basis that any recommendations made by them are backdated to be implemented from the beginning of the civic year on the 21<sup>st</sup> May 2010;**
- 2.4 **Members consider any further issues that they would like addressed by the independent Remuneration Panel.**

**3.0 SUMMARY**

- 3.1 The Council has a statutory duty to set up and maintain an advisory Independent Remuneration Panel to review and provide advice on Members Allowances.
- 3.2 The Panel last met and made recommendations for consideration by Council in September 2008 and, subject to some minor amendments, the scheme of allowances agreed at that meeting has been in operation ever since.

3.3 A previous report on the Council agenda on the recommends changes to the Council's scrutiny arrangements which, if agreed, could lead to a change in the current arrangements. Members should also consider whether or not, in view of the current changes to the Council and the current economic climate the arrangements for their allowances ought to be re-visited in any event.

3.3 The Council has discretion whether to accept the report of the Independent Remuneration Panel in its entirety, in part or to reject it. The Council must also decide the effective date for implementation of the recommendations which may vary between different recommendations.

#### **4.0 INFORMATION**

4.1 The current scheme is detailed in Appendix 1 to this report. These are annually uplifted for inflation once the national pay award for local government officers has been agreed.

4.6 Members should note that it is not possible to pay more than 50% of the members of the Council a Special Responsibility Allowance. The maximum number for Telford & Wrekin Council is therefore 27. Members should also note that in cases where the same Member holds more than one position entitled to a Special Responsibility Allowance only one allowance is payable.

#### **5.0 IMPLEMENTATION**

5.1 There are a number of options for agreeing the size and constitution of the panel but, attached at Appendix 2 is a proposal for the make-up and terms of reference of the Panel for members' consideration

5.2 If the Council agrees that the Panel should be re-convened then it is recommended that the Panel is established as soon as possible and invited to report back to the next meeting of Council on the 24<sup>th</sup> June 2010.

#### **6.0 LEGAL COMMENT**

6.1 The Panel is convened under The Local Authorities (Members' Allowances) (England) Regulations 2003. These regulations (which arise out of provisions in the Local Government Act 2000) require local authorities to set up and maintain an advisory Independent Remuneration Panel, to review and provide advice on Members' allowances. The Council is required to convene the Panel and seek its advice before making any changes or amendments to the allowances scheme and must have regard to the recommendations of the Panel.

#### **7.0 FINANCIAL COMMENT**

7.1 There are no budget implications arising from this report but the financial implications of any proposed changes will form part of the report from the panel when this is considered again in June 2010.

## **8.0 EQUALITY & DIVERSITY**

It is important that representation is secured by people from across the population in Telford and this ambition can be helped by the way that the allowances/ expenses scheme is developed.

## **9.0 LINKS TO CORPORATE PRIORITIES**

Members have key roles in setting, and monitoring progress against, the Council's corporate priorities.

## **10.0 ENVIRONMENTAL IMPACT**

No specific environmental issues arising.

## **11.0 BACKGROUND PAPERS**

Report of the Independent Remuneration Panel 25 September 2008.

Report prepared by Jonathan Eatough, Head of Governance.  
Telephone (01952) 383200.

## **Part 6 - Members' Remuneration Scheme**

### **Explanatory Comment**

The Members Remuneration Scheme set out below is as approved by the Council in September 2008. The Council received a report from an Independent Remuneration and Allowances Panel which recommended a new Remuneration Scheme for the Authority.

### **Remuneration Scheme**

The Members Remuneration Scheme for 2008/09 provided for:-

- All Members to receive a basic allowance, currently £7,583
- The following positions attract a special responsibility allowance (in addition to the basic allowance).

Chairman of Cabinet/Leader	£22,903.00
Deputy Leader	£15,320.00
Cabinet Member	£10,800.00
Chairman of Scrutiny Management/Leadership Board	£10,237.00
Main Opposition Group Leader	£ 9,479.00
Lead Scrutiny Members	£ 7,583.00
Chairman of Plans Board	£ 7,583.00
Chairman of Licensing Committee	£ 7,583.00
Chairman of Audit Committee	£ 7,583.00
Independent Chairman of Standards Committee	£ 7,583.00
Cabinet Assistants	£ 4,550.00
Speaker of the Council	£ 2,511.00
Other Opposition Group Leader (min of 5 Members)	£ 2,511.00
Chairman of Appeals Committee	£ 2,275.00

- The scheme provides for travel, subsistence, childcare and dependant carers allowances to also be claimed by Members.
- It is a condition of the Scheme that a Member can receive no more than one Special Responsibility Allowance even if he/she occupies more than one position which had a Special Responsibility Allowance entitlement.
- The Scheme allows for an annual uprating of the Basic Allowance and Special Responsibility Allowances in line with the pay award for local authority employees. The annual uprating will be applied at the start of the Municipal Year and backdated to the start of the civic year if the pay award has not been formalised by the date of Annual Council.

- The Scheme is subject to analysis & review by the Independent Remuneration Panel. The Panel is required to meet and recommend a new scheme to the Council in 2012. **Local Authorities (Members Allowance)(England) Regulations 2003 (as amended)**
- The Mayor/Deputy Mayor are reimbursed expenses in accordance with **Sections 3 and 5 of the Local Government Act 1972**. The Mayor receives £7,005.00 and the Deputy Mayor £2,388.00

All matters relating to Members Remuneration are shown as being Council responsibility in 100 g2 list

### Independent Remuneration Panel Terms of Reference

<b>Issue</b>	<b>Recommendation</b>	<b>Relevant Guidance</b>
<b>Size</b>	3	Councils should avoid large panels which would be unable to be an effective and publicly accountable source of clear recommendations.
<b>Membership</b>		A local authority will need to consider ... its appointments process having regard to ... the need to ensure that this process commands public confidence throughout all the communities in the local authority's area.
		Local authorities may wish to advertise for candidates in local papers or may wish to ask particular stakeholders, e.g. the voluntary sector or the local business community
	Professor Steve Leach	Steve Leach is Professor of Local Government in the Department of Public Policy, De Montfort University (Leicester) where he has been working since 1996. Prior to that he held various positions at the Institute of Local Government Studies, University of Birmingham. He also carries out a wide range of consultancy projects for individual local authorities and has chaired Independent Remuneration Panels for a number of Councils.
	Richard Sheehan	Managing Director of Shropshire Chamber of Commerce and member of the Local Strategic Partnership
	Mick Lloyd	Director of Telford & Wrekin CVS and member of the Local Strategic Partnership
<b>Term</b>	5 years (reviewable at the discretion of full Council)	The panel may become more effective as its knowledge and understanding of members' allowances is increased accordingly local authorities may wish to consider appointing members of the panel for a term of office of several years, perhaps 3-5 years.
<b>To review</b>	Basic allowances	54
	Leader	1
	Deputy Leader	1
	Cabinet Members	Up to 8
	Scrutiny chairs	7
	Opposition group Leaders	Currently 3
	Chairman of Plans Board	1

	Chairman of Licensing	1
	Chairman of Audit, Appeals	1
	Chairman Appeals Committee	1
	Chairman of Standards	1
	Speaker	1
	Pensions	
	Expenses	